

The complaint

Mrs B is complaining about National Westminster Bank Public Limited Company because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs B was the victim of a cruel impersonation scam. In summary, she was contacted by someone claiming to be a police officer who wanted her help with an investigation. He said bank staff were suspected of passing out counterfeit notes and she should go to a branch of the bank to make a cash withdrawal. After she'd done that, someone posing as an undercover police officer came to her house to collect the money.

Our investigator didn't recommend the complaint be upheld. He felt the evidence showed bank staff had asked appropriate questions about the withdrawal before any money was handed to Mrs B and that, based on the information she provided, it had no reason to believe she was falling victim to a scam.

Mrs B didn't accept the investigator's assessment. She believes the bank's CCTV footage would show she was uneasy and agitated during the conversation with staff and would have come across as confused and unclear in her answers. She also says the staff member wasn't paying close attention to what was going on, pointing to the fact the money was withdrawn from her current account and not her savings account (as she'd requested).

The complaint has now been referred to me for review.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mrs B authorised this withdrawal. In broad terms, the starting position at law is that a bank is expected to process transactions a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually ended up

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's

authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

NatWest also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether NatWest acted fairly and reasonably in its dealings with Mrs B.

The payment

This was a large withdrawal and it appears bank staff did recognise Mrs B may be at risk of harm from fraud and spoke to her about the reason for the withdrawal and the surrounding circumstances before handing over any money.

While it wouldn't help me to understand what was actually said, it is unfortunate that the CCTV footage from Mrs B's visit to the branch is unavailable as this information isn't retained indefinitely. But there is other evidence available relating to what took place. In addition to Mrs B's own account, the staff member who dealt with her has provided their recollections and we also have a copy of the questionnaire NatWest says was completed at the time.

Mrs B doesn't dispute that she was asked about the reason for the withdrawal. Or that, as instructed by the scammer, she told bank staff that she was lending money to her grandson so he could purchase a second-hand car. This was clearly not true and was a cover story designed to stop the bank identifying she was falling victim to a scam.

But I wouldn't necessarily expect bank staff to have accepted this explanation at face value and NatWest says Mrs B was also taken through a questionnaire. The completed document records that she confirmed she was being honest with her answers, that she hadn't been asked to withdraw funds to support a police, bank or other investigation, and that the car was being purchased from a legitimate source. The staff member also recalls asking for evidence of the car being purchased but that Mrs B said she didn't have this information as her grandson was buying it and that she'd be with him when he made the purchase.

I'm not in a position to comment on Mrs B's recollections that the questionnaire was completed in a hurry. But she doesn't dispute that it was completed and her recollection that she did hear the word '*police*' suggests the questions listed were indeed asked.

Based on the explanation Mrs B gave for wanting the money and the answers recorded in the questionnaire, I'm satisfied that the bank staff were entitled to believe the withdrawal was legitimate and that it wasn't linked to a scam. So I can't reasonably say it was at fault for giving her the money she'd asked for.

I note Mrs B says she was agitated and confused during her conversation with bank staff but it's very difficult for me to comment on this without having witnessed these events. But I do note she also says that she'd been lost in town and was also concerned the branch was due to close shortly. With that in mind, it may have been reasonable for bank staff to believe this explained any agitation or confusion they were able to detect.

Taking everything into account, I find that the evidence indicates NatWest carried out an appropriate intervention before completing the withdrawal and was entitled to believe it was legitimate. The success of any such intervention does depend to some extent on the

customer providing correct information about their circumstances and in this case it seems that the cover story Mrs B told along with her answers to the bank's questions prevented its staff from identifying what was really happening and protecting her from the scam.

I want to be clear that it's not my intention to suggest Mrs B is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of NatWest and, having done so, I'm not persuaded these were the cause of her losses.

I note Mrs B says NatWest has since agreed to monitor her account in case the scammer returns and I agree this shows the bank is now aware she may be vulnerable to fraud. But I've seen nothing to suggest the bank or its staff had any reason to believe she was particularly vulnerable before the scam took place or as it was unfolding.

Recovery of funds

I've also looked at whether NatWest could or should have done more to try and recover Mrs B's money once it was aware of the scam. But in this case the scam involved a cash withdrawal, meaning it wasn't covered by any mandatory or other reimbursement scheme. And as money was handed to the scammer in cash rather than to another account by way of transfer or card payment, NatWest wasn't able to try and recover the money any other way. In the circumstances, I don't think anything that NatWest could have done differently would have led to Mrs B getting her money back.

Customer service

Mrs B has also raised concerns about how she was treated by NatWest after she reported the scam, particularly during a phone call with one of its agents.

I've listened to a recording of this call so I may address these concerns. Having done so, I'm satisfied the agent clearly explained why the bank wouldn't be able to reimburse Mrs B's losses. I appreciate this wasn't the news she wanted to hear, but it was the right answer. The agent also explained how she could take things further by making a complaint. While Mrs B is entitled to feel the agent could have shown more empathy, I'm satisfied the call was handled professionally and didn't fall short of the standard of service she was entitled to expect.

In conclusion

I recognise Mrs B has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think the evidence indicates NatWest acted fairly and reasonably in its dealings with her and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 October 2025.

James Biles
Ombudsman